

lutely right about that. Let me try to explain or amplify on what you just said. The estimates are that if this budget that I have now presented to the Congress passes, we will have 4 years of declining deficits in real dollar terms. If they adopt this budget, it will be the first reduction not only in defense spending but discretionary domestic spending since 1969 that I have presented. Don't ever let anybody tell you the Democrats are the big spenders. I've asked them to cut spending over last year, the first time since 1969.

Now, it does start to go up. And Senator Tsongas and Senator Rudman and Pete Peterson and the Concord Coalition group, what they believe we should do is to do something to restrict the increases in expenditure on Social Security, which are growing, as well as on Medicare and Medicaid. But let me explain to you why I think we should deal with the health care issue first.

Social Security expenditures are about the same percentage of Federal spending as they were 20 years ago. There is a cost of living increase associated with Social Security, but it's been more than covered by the increases in the Social Security tax. So here's what your budget looks like. Defense is going down; all the domestic programs are flat. That means if I propose spending more on education and more in new technologies for former defense firms to make money in commercial enterprises, I have to cut a dollar in something else for every dollar I've put in there. So, no increase in discretionary nondefense spending; a decrease in defense spending; Social Security is going up, but at the rate of inflation, and the revenues are covering it, the Social Security tax.

So what's going up? Well, interest on the debt is going up, but at a slower rate now be-

cause interest rates are down. The thing that's going up now and the only thing really going up in the whole Federal budget is Medicare and Medicaid, going up in 2 and 3 times the rate of inflation. And the reason for that is that people are being constantly—pressures are being constantly dumped into those programs because we don't cover everybody and we have no system to bring health care costs in line with inflation. So I believe the next big step, if you want the deficit to keep coming down, is to try to bring that problem under control.

The Congressional Budget Office, even though they disagreed with our cost figures in the first 3 years, say that 10 years from now our health care plan will be saving the Treasury \$150 billion a year, a year. So you're absolutely right, if we don't do something else, we can't keep the deficit coming down. I think the next something else should be the health care.

Yes, there's a gentleman over here. I don't want him to think I was stiffing him.

Q. Mr. President, I want to apologize to you. I do not have a question, but I want to tell you—when my many friends over in the southwestern part of the State—you're on the right track. Don't let the people on the other side of the aisle give you all that rhetoric. They're all running for office, and you're going to come out on top in the long run.

The President. Bless you. Thank you all very much. We've got to quit. Thank you.

NOTE: The President spoke at 9:55 a.m. at Elm Street Junior High School. In his remarks, he referred to Pauline Caron, the school's principal; Mayor Rob Wagner of Nashua; and Barbara J. Baldizar, New Hampshire State senator.

Exchange With Reporters in Nashua *March 15, 1994*

Q. Does it make you angry?

The President. No, but let me show you something. Look at this. This is what people care about. Here's a child with a preexisting condition. He can't get health insurance. So I went out there, was shaking hands in the crowd, the

mother gave me a picture of this child. That's where America is, with these people—

Q. Why do you think it's been so hard for you to get your message to—

The President. I haven't been out here with them.

Q. [*Inaudible*]

The President. You can draw your own conclusion about that, but you heard from a lot of wise people here today.

Q. Are you angry, Mr. President? You sounded awfully angry last night.

The President. I wasn't. I was happy. What I said last night, I was not angry, but I'm determined. That was a deliberate—I wanted to tell those people how I felt. And I'm very happy being here today. This is America; this is where they are.

Q. It sure looks like you started the '96 campaign—

The President. It's not about the '96 campaign; this is about what we're going to do in Congress for the American people in 1994. That's what this was about.

NOTE: The exchange began at approximately 11 a.m. outside Elm Street Junior High School. A tape was not available for verification of the content of this exchange.

Remarks to Employees of Markem Corporation in Keene, New Hampshire March 15, 1994

Thank you very much. First, thank you, Jan. She did it like a real pro, didn't she, just as if she'd been there her whole life. Give her a hand. [*Applause*]

I want to thank Jim Putnam for that fine tour and for his remarks. I also want to recognize your Congressman, Dick Swett, who is with me, who's made the tour with me, and he's been a real friend to this company. He's been telling me about Markem for a long time and telling me that I should come here. And I'm very glad I took the suggestion. I had a great time today, and I thank you for that.

I want to thank Jim for the tour and all of you who welcomed me along the way and showed me the work you're doing. It's very, very impressive. I appreciate the message that was read from Tom Putnam and the fact that he's opening new markets for you in another part of the world. I know there are other leaders of this company, Jim Baute whom I met today and Dave Putnam who's not here. And I thank all of you for giving me a chance to see something that is very important for America to think about today, which is how people work together in partnership and win in a tough global economy.

Mayor Lynch, I want to say I'm glad to be back in Keene today, and with you, Senator, and all the other people that are here. This community and this county have been very good to me. Cheshire County gave me more votes than anybody else on the ballot in the primary here in 1992 and in the general election. And

so I'm indebted to the people of this community and this county.

Yesterday I was in Detroit, the center of our country's automobile industry, a place that is full of change, where first thousands and thousands of jobs were lost in the car industry and now automobiles are coming back and other industries are coming back in and around there. We had leaders of the world's seven large industrial nations meeting there—Canada, France, Germany, Great Britain, Italy, Japan, and the United States—talking about an interesting phenomenon which is the difficulty all the wealthy countries are having creating jobs in a tough global economy, even when their economies are growing. It's not a problem confined to America. And I asked for this meeting last summer so that we could begin to plan together what we could do to reward the work of our people and to try to cooperate more with one another even as we compete.

One of the things that we know is that there are some things that work. And you live it here every day. This is an old company that, as Jim said to me on the tour, keeps young by looking always to the future, being always willing to change; a company that's had, as I understand it, no layoffs in four decades. And that goes through a long recession in the 1980's. That's something you can be proud of. Would that every company would do that.

And it's obvious that you have a combination here of good management, strong workers, good partnership between the people who work here and the folks in management. You're keeping